

State of Alaska FY2006 Governor's Operating Budget

Department of Natural Resources DNR Facilities Rent and Chargeback Component Budget Summary

Component: DNR Facilities Rent and Chargeback

Contribution to Department's Mission

To account for funding of DNR facilities rent and chargebacks.

Core Services

Payment of the State Facilities Rent to the Department of Administration for our offices in the Atwood Building in Anchorage. DNR occupied this facility in FY00.

Payment to the Department of Administration for all other DNR building leases. General fund in the amount of \$747.2 was transferred to DNR in FY05 to pay a portion of this cost.

Payment of the Fairbanks Office Building Chargeback costs to Dept. of Transportation for basic maintenance of the facility. (\$103.6 GF transferred in FY05 from the Fairbanks Office Building Chargeback component.)

Payment of DNR's allocated share of the Department of Administration, Division of General Services Lease Administration costs. General fund in the amount of \$47.8 was transferred to DNR in FY05 to pay a portion of this cost.

Payment of the Division of Personnel's lease costs. General fund in the amount of \$33.7 was transferred to DNR in FY05 to pay a portion of this cost.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: \$3,692,500

Personnel:

Full time	0
Part time	0
Total	0

Key Component Challenges

The key challenge for DNR in the Facilities Rent and Chargeback budget is the fact that each year the cost increases and there is no corresponding budget increase.

As an example, DNR's square footage cost for the Atwood Building in FY03 was \$1.1117/mo/sq.ft. In FY04 the square footage was budgeted at \$1.1609/mo/sq.ft., an increase of 4.4%. In FY05 the square footage will cost us \$1.2374/mo/sq.ft., an increase of 6.6% over FY04. In FY06, the square footage rate is \$1.3016, a 5.2% increase.

This is a 17.1% increase in the square footage cost for the Atwood Building between FY03 and FY06, with no budget increase to cover it.

Fairbanks Office Building Chargeback (\$103.6 GF):

This funding is an RSA to DOT/PF to provide basic maintenance, utilities and janitorial services for the Fairbanks Office Building. Funding to provide these services has been decreased from \$144.9 in 1989 when DNR was transferred these funds, to its current level of \$103.6 (This has stayed at the same level since 1995). The fixed costs for the building, including utilities, is approximately \$80.0 annually. Since this amount continues to increase, the cost increases have been funded by reducing the maintenance staff position from full-time to 2.5 hours per day. This leaves no funds available for purchase of supplies and minor repairs and maintenance. As a result, much of the regular maintenance of the building has been scaled back to absolute minimum levels to keep the building operational. In addition, the last several years the Department of Transportation has covered necessary expenditures above the amount appropriated. The likelihood for this to continue will only decrease each year as the discretionary funds for building maintenance decreases. As the building continues to age, the importance of keeping all systems functional and operating efficiently must be the primary goal of this appropriation.

Significant Changes in Results to be Delivered in FY2006

No changes in final results delivered.

Major Component Accomplishments in 2004

Not applicable.

Statutory and Regulatory Authority

Not applicable.

Contact Information

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DNR Facilities Rent and Chargeback Component Financial Summary

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	1,305.4	2,575.5	3,692.5
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	40.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,345.4	2,575.5	3,692.5
Funding Sources:			
1004 General Fund Receipts	1,242.4	2,229.9	2,229.9
1007 Inter-Agency Receipts	103.0	345.6	1,462.6
Funding Totals	1,345.4	2,575.5	3,692.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Interagency Receipts	51015	103.0	345.6	1,462.6
Restricted Total		103.0	345.6	1,462.6
Total Estimated Revenues		103.0	345.6	1,462.6

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	2,229.9	0.0	345.6	2,575.5
Proposed budget increases:				
-Lease Costs funded by Divisions	0.0	0.0	1,117.0	1,117.0
FY2006 Governor	2,229.9	0.0	1,462.6	3,692.5